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INFORMATION REPORT

COUNTRY Austria

DATE DISTR. 8 March 1948

SUBJECT Clothe-Waldgatter Cosellachaft Klienke & Co.

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The firm Globus-Waldgatter Gesellschaft Klienke & Co. in St. Veith a.d. Triesting, Berndorf, Louer Austria, is a USIA metal plant which has been under Russian administration since the fall of 1945. The plant appears as Klienice & Co. in all official statistics and has to date not submitted any production reports to Austrian authorities.

1. Permonal

The company employs 209 laborers and 27 office workers. About 60% of the staff are Socialists, 30% are Communists, and 10% belong to the People's Party. No shop council elections (Betrieberatevahlen) have taken place.

2. Production

The firm Clobus-Waldgatter Gesellschaft Klienke & Co. has a monthly average production of:

15,000 Mason's harmers (Maurerhaemmer) 8,000 Norter troughs (Meurerplanmen) 20,000 Angle irons for beds (Bettwinkel) 6,000 Erector sets (Metallhaukaesten) 5,000 Cooking pans (Kuschenpfannen)

The above figures are based on the monthly average production calculated for the period of January to December 1946 and January to October 1947. The firm draw 80% of its rev materials from the Central Administration of USIA, Vienna IV, Starbenbergguage. The remaining 20% is supplied by Austrian dealers in exchange for manufactured products. Froduction and sales for the period of February to November 1947 were controlled by the Buying and Selling Office of the Machine Construction Section of USIA, Vienna X, Toloxchinetrasse 96. The Buying and Selling Office is stated to have turned over 50% of production to the Russian Army, while the remainder was released to the Austrian free market. Since November 1947, the plant delivers 50% of its production to the above-mentioned Russian office, while the remaining 50% may be sold by the firm with Russian approval. Present production is about 75% of the 1944 production and about 160% of the 1937 output.

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3. Technical Conditions within the Plant

All the factory buildings are in very good condition. The following machinery is in operations

8 fairly new lathes of German origin, capable of accommodating stock up to 2500 mm

6 older lattes of matrian origin

I coccatric press with maximum pressure of 300 tons

24 obsolete drilling machines of various types

14 automatic dis-pressing machines of various types

6 Hailer fermaces

14 smaller special machines

4 tons (approximately) of miscellaneous tools.

The plant has its own highway and railread connections. There are eight trucks (5-ton), one heavy delivery van, and one passenger car. A power plant provides 70% of the necessary electricity; the remaining 30% comes from Lower Austria.

4. Property

Until 1938, the enterprise was wholly Austrian. Production consisted of dies for various industries and household articles. In 1938, two Germans, Kliemke and Engineer Keller, bounds the wlant legally. The factory was not aryanized. The new owners modernized the plant and started armament production. After the end of the war, Kliemke flod to Germany, while Keller remained in the plant and attempted to acquire Austrian citizenship. During the surmer of 1945, the plant was requisitioned by occupation forces and later was placed under the administration of USIA.

5. Financial Situation and Imagement

The value of the plant, secording to an estimate made by USIA, is 1,000,000 austrian schillings. In the fall of 1946, financial difficulties arose when the plant remarks operations. Through Ceneral-Direktor Osip Bonda, head of the Buying and Selling Office of the Machine Construction Section of USIA, the plant received a loan of 300,000 schillings from the Russian State Bank. Under the terms of the loan, the firm was obliged to consign the entire output for the period of February to Movember 1947 to the Buying and Selling Office. Each month, 45,000 schillings derived from sales were paid into the Russian bank. The loan was entirely repaid, but General-Direktor Bonda, a Russian national, will receive 11.7% of all sales returns for the next six months. This financial transaction was based on a private agreement between Bonda and the Russian general manager of the firm Globus-Waldgatter Gesellschaft Kliemke & 30., Stefan Lintshev, which was kept a secret from USIA. USIA is entitled to of of the firm's monthly sales as a so-called "administration fee" (Verwaltungsabgabe): in addition, USIA takes 87% of the net profite. Of the remaining 13% of the net profite, two-thirds is paid to the Russian general manager and one-third to the Austrian Betriebafusher Engineer Jelecek. The Russian general manager, Stefan Lintshev, receives a monthly pay of 5,500 schillings plus an expense account of 2,000 schillings. Engineer Jelecek draws a monthly salary of 4,500 schillings. Jelecek has been a member of the Communist Party since 1945 and speaks perfect Russian. He is said to lack technical qualifications and to have secured his position through his personal friendship with the Russian general manager.

6. USIA controls the amount of production, setting a monthly total production figure in schillings. However, since production slowly decreased during the latter part of 1947 because of inexperienced personnel and questionable business procedures, the firm is obliged to raise its prices so as to cover the production figure prescribed by USIA. Furthermore, the firm ones USIA 200,000 schillings for sheet metal and other material. For the period of 1 to 15 December 1947, the firm did not have the money to meet the payroll. Therefore, after a session of the Betriebser rat, the workers decided to go out on strike on 18 December 1947 if their wages

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were not forthcoming. USIA stated that they would not continue financial support such longer and is considering giving up the plant. The selling price is said to be 1.500.000 schillings. According to the accountant, Krobs, and the technical manager, Buches, the firm will be bankrupt within four months under prevailing conditions, after exhausting present reserves of raw material; only another loan by the Russian State Bank and an immediate change in the firm's management might prevent such a development.

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